



**CITIZEN CODE OF ETHICS TASK FORCE  
REGULAR MEETING  
PINNACLE CONFERENCE ROOM  
7575 EAST MAIN STREET  
SCOTTSDALE, ARIZONA  
NOVEMBER 2, 2005**

**PRESENT:** Art DeCabooter, Chairman  
Jim Derouin  
Margaret Dunn  
Jim Bruner  
Rita Saunders-Hawranek  
Dewey Schade  
Ned O'Hearn

**STAFF PRESENT:** Lisa Blyler, Staff, City Manager's Office  
Natalie Lewis, Assistant to Mayor and Council  
Jay Osborn, Senior Assistant City Attorney  
Neil Shearer, Assistant City Manager  
Teri Traaen, Human Resources General Manager

1. **CALL TO ORDER**

A regular meeting of the Citizen Code of Ethics Task Force was called to order by Chairman DeCabooter at 6:05 p.m. A formal roll call confirmed the members present as stated above.

**Welcome/Introductions**

Chairman DeCabooter welcomed those in attendance to the first meeting of the Citizen Code of Ethics Task Force.

Chairman DeCabooter introduced himself, noting that he is the President of Scottsdale Community College. At his request, Task Force Members introduced themselves.

Mr. Derouin is an attorney and a 20-year Scottsdale resident. Ms. Saunders-Hawranek is a long-term Scottsdale resident and a Board Member of the Scottsdale Coalition. Ms. Dunn is President of Ollie the Trolley and a veteran committee member. Mr. Schade owns several properties in downtown Scottsdale and has lived in the City for 29 years. Mr. O'Hearn is a principal at Boulders Realty Advisors. Mr. Bruner has lived in Scottsdale for 36 years and has previously served as a Councilman as well as the Board of Supervisors.

Staff and additional attendee introductions followed.

## 6. **PUBLIC COMMENTS**

Chairman DeCabooter noted receiving requests from people requesting that the public be allowed to express comments at the beginning of the meeting as opposed to the end.

Whereupon, Mr. George Knowlton read a statement and distributed a copy of the statement along with copies of a newspaper article entitled: "Task may be thankless, but ethics code is valuable." The statement stressed the importance of allowing Scottsdale citizens full access and input to the Task Force. All meetings should be public and citizen input should be allowed. All meetings should be on City property near downtown, central, accessible locations at 6:00 p.m. on specific weeknights or on weekends, enabling members of the public to attend. All meetings are to be recorded so that the discussions are clear, enabling that the public may obtain either a CD of the actual meeting or a transcript.

The statement further outlined that the Paradise Valley Ethics Code should be a document from which the panel works; stating that it is an excellent model except that it lacks enforcement provisions. The panel should ask for and receive direction from outside of the City and City staff, addressing the ethics and enforcement issues with non-Scottsdale citizens who are proven experts on the subject, such as Marianne Jennings or Tim Delaney. Suggestions from City staff may be considered but should not carry the weight of the professionally written and validated examples, of which the Paradise Valley code is one. City staff has little or no expertise in the field of ethics, although they are highly regarded in their own fields of expertise. Staff should not write the first draft for the Task Force to work from.

In addition to the eight points of the Paradise Valley Ethics Code, particular attention should be paid to item 7 and its subsections concerning private employment, confidential information, gifts, investments, and personal relationships.

Mr. Knowlton noted that the foregoing statement was signed by Jack Vickers, Tim Montgomery and himself. He thanked the Task Force Members, stating that this is one of the most important panels ever convened in the interest of the City.

## 2. **TASK FORCE PURPOSE AND APPROACHES TO FORMULATING A CODE OF ETHICS**

At the request of Chairman DeCabooter, Mr. Shearer briefly outlined the background surrounding the formation of the Task Force, citing that a citizen petition was submitted to City Council on April 5, 2005. The petition stated: "The following electors of the City of Scottsdale herein petition the Scottsdale City Council pursuant to Article 2, Section 16 of the Scottsdale City Charter to adopt an official Ethics Policy substantially similar to the attached policy which has been adopted by the Town of Paradise Valley."

Consistent with the Scottsdale Charter, City Council is required to consider petitions presented by citizens within 30 days. A discussion regarding this petition occurred on May 3, 2005. Council directed staff to complete an analysis of the issue and place it on the agenda for City Council discussion in September.

Dr. Traaen, Mr. Osborn and other staff members compiled a document entitled "City of Scottsdale Ethics Report" and presented it to the City Council on September 20, 2005. This report contains an overview of codes of ethics adopted by various municipalities around the Valley and elsewhere. On September 20, 2005, the City Council unanimously decided to create the Citizen Code of Ethics Task Force. The Task Force has been asked to report back to Council by January 31, 2006 with its recommendations. Task Force Members were appointed on October 4, 2005.

### 3. **TASK FORCE RESOURCE SUPPORT NEEDS**

Chairman DeCabooter requested that Task Force Members share their comments regarding approaches they might take to formulate the Code of Ethics, as well as their opinions concerning resource support needs.

Mr. Bruner asked whether the Task Force had a budget to retain outside advisors or if it would be necessary to obtain prior approval for such from City Council. Mr. Shearer reported that the Task Force is operating without a budget and recalled that on other occasions experts have made presentations to groups at no cost. However, staff will work with the Task Force if there is a strong interest in retaining the services of an expert that would involve expenditures.

In response to inquiry by Mr. Schade regarding an acceptable level of expenditure, Mr. Shearer said an amount up to \$5,000 may be feasible to fund, but higher amounts may require Council approval.

Mr. Shearer further stated that he does not believe the Council has a preconceived notion of what services the Task Force would need to support their efforts.

Mr. Derouin remarked that Task Force Members have been governed by various codes of ethics and are familiar with a variety of codes; however, he feels that the best approach would be to take existing codes from other cities and generate a first draft. Assistance from someone who has already completed the task would greatly assist the Task Force. He noted that the binder contains resumes of local residents who are well known experts in this field, particularly Marianne Jennings and Tim Delaney.

Mr. Derouin added that a code means a set of principles. He noted that other cities have put together a manual that represents city policy, which serves as a tool for staff and that typically cities have annual reviews or training sessions to communicate the policies to the workforce. He stated that in order to meet the deadline set by Council, it is prudent to obtain professional assistance.

Mr. Bruner concurred, noting that it would be helpful to have assistance in establishing parameters and then the Task Force would make the final decision.

Ms. Dunn agreed with both of the previous speakers. There may be State statutes that must also be considered.

Mr. Schade supports bringing in an expert, citing that an established code should be tailored especially to Scottsdale. Experts stress the importance of training and public awareness of the existence of the code. A good code with high awareness will be a preventative measure.

Mr. Osborn advised the meeting that if funds are to be spent for consulting support, the Task Force will need to follow the City procurement code, which he briefly outlined. Professional services under \$20,000 can be initiated by informal bids where three or more qualified individuals are identified and interviewed by a panel. Procuring professional services over \$20,000 is a more complicated and lengthy process requiring Council approval.

Ms. Saunders-Hawranek noted that there are two local experts who have worked on codes in the Valley and enjoy national reputations. She asked staff to ascertain whether the pre-established criteria would eliminate the need to identify and interview a third qualified individual.

Chairman DeCabooter suggested that the two individuals be asked to make a presentation to the Task Force at the next meeting to identify and explain their proposed role in assisting the Task Force, along with disclosure of their fees.

Mr. O'Hearn stated that the Task Force can accomplish quite a bit of work prior to soliciting professional assistance. He suggested that reading other codes from the binder would give them a framework of questions to be answered. He believes the Task Force's initial function is to determine the specific scope of work before them, which would enable the creation of the framework for the code. He stated that if the Task Force gets bogged down on specific details, that would be the time to call in an expert.

Mr. Bruner respectfully disagreed with that position, expressing desire to be presented with a broad guideline by an expert so that the Task Force does not spin their wheels.

Chairman DeCabooter reminded Task Force Members of the January 31st, 2006 deadline. Mr. Schade noted that with the approaching holidays, the Task Force would be challenged to complete the task by the end of January and remarked that bringing in a consultant would save time.

Ms. Saunders-Hawranek stated that she sees the scope of a comprehensive code of ethics for Scottsdale covering not only elected officials but also appointed commission, committee members and City staff. Dr. Traaen should be involved. The rules should be the same for everyone. She believes the Task Force needs professional help to accomplish this.

Chairman DeCabooter noted that all but one Task Force Member were in agreement to invite Dr. Jennings and Mr. Delaney to the next meeting of the Task Force and requested that staff extend the invitations.

Discussion ensued upon inquiry by Chairman DeCabooter regarding the possibilities of viewing the Ethics Report PowerPoint presentation at the next meeting. Ms. Saunders-Hawranek noted it would be good for members of the public to be able to hear a short overview. Mr. Schade reported having heard favorable comments concerning the PowerPoint presentation that was made to City Council. Chairman DeCabooter stated that repeating the presentation could give everyone the same basic understanding of the issues. Dr. Traaen agreed to present the PowerPoint presentation at the next meeting.

Mr. Nelson remarked that the Task Force did not seem ready to accept the Paradise Valley code as a model and suggested that it would be helpful for the prospective consultants to be provided with the specific and unique qualities of Scottsdale that they need to focus on. Mr. Nelson stated that the question is: How is Scottsdale different from other Valley municipalities? And suggested that time would be saved if the Task Force developed a matrix of the issues that need to be addressed.

Mr. Schade expressed a strong desire in hearing what the consultants have to say, elaborating that everyone thinks they know what ethics are and that they behave ethically; however, it is more than a simple prayer or the Ten Commandments. The consultants are ethics experts.

Prior to departing the meeting, Darlene Petersen strongly stated that the Task Force Members should contact the different municipalities to inquire about their codes of ethics and that the appropriate first step would be gathering this information; stressing that an expert could be asked to review the information gathered and consider how it could apply to Scottsdale City Council and staff.

#### 4. **FUTURE MEETING SCHEDULE AND AGENDA ITEMS**

Chairman DeCabooter noted the difficult challenge in the scheduling of the Task Force's initial meeting, and this was followed by a discussion regarding suitable times for the Task Force to meet. Chairman DeCabooter suggested that by meeting on Saturdays, the Task Force could spend several hours working.

Mr. Knowlton pointed out that the January 31st reporting deadline is not carved in stone and that if the Task Force Members determined that a better code of ethics would result from a longer process, the deadline could be extended. Chairman DeCabooter acknowledged understanding of that option.

Pursuant to further discussion, Task Force Members agreed to meet on Tuesday, November 15th. Agenda items will include presentations by the consultants and the PowerPoint presentation. A subsequent meeting will be held on Monday, November 28th.

Mr. Shearer acknowledged the difficulties involved in coordinating schedules and stated that for that reason, the November 15th meeting date is acceptable. He recommended, however, that the Task Force try to avoid scheduling meetings on City Council meeting nights, if possible.

Chairman DeCabooter noted that January dates would be established at a later time and requested that Members hold Saturday mornings free in January.

5. **TASK FORCE MEMBER COMMENTS**

Mr. Bruner commented that everyone is in favor of ethics, noting that the issues arise in the details. He hopes that the code will show common sense and be one that everyone can follow. Conflicts of interest are an important topic and the Task Force should ensure that the policy is transparent. The code should include sanctions. Every employee ought to be asked to read and sign the code of ethics every year, with the signed copy being placed in their personnel file.

Ms. Saunders-Hawranek added that training must be provided to new employees. Mr. Derouin agreed with their comments and remarked that if there is no common sense in the policy, people will not comply with it.

Mr. Schade added that everyone should be covered: The workforce, City Council, City Manager, City Attorney, staff. Public trust in government at all levels is at an all-time low. It is regrettable that so much emphasis has to be put on a code of ethics, but reality and common sense dictate this.

Mr. O'Hearn noted that the Task Force has not yet articulated what form the end product will take and stated that it is appropriate to make this decision. He suggested that perhaps the consultant could assist with the task.

Mr. Knowlton shared his experience in a major corporation, citing a very strong policy that had originated in procurement: The test was to act so that outside parties would see that dealings were arms length.

7. **ADJOURNMENT**

With no further business to discuss, the regular meeting of the Citizen Code of Ethics Task Force adjourned at 7:10 p.m.

**Respectfully submitted by:**  
Davette Repola  
AV Tronics, Inc., Recording Secretary

**Reviewed by:**  
Art DeCabooter, Chair

Officially approved by the Citizen Code of Ethics Task Force on November 15, 2005.